



PSC NEWS

Missouri Public Service Commission

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PSC STAFF FILES NOTICE OF EXCESS EARNINGS COMPLAINT REGARDING AUDIT OF MISSOURI-AMERICAN WATER COMPANY

Jefferson City (October 2, 2003)---The Staff of the Missouri Public Service Commission has filed a “notice of excess earnings complaint” with the Public Service Commission stating that the Staff intends to file a complaint case seeking to lower the current water rates of the Missouri-American Water Company.

The Missouri-American Water Company has a pending rate increase case which it filed at the Commission on May 19, 2003, seeking to increase water revenues by approximately \$20 million a year. The Company also seeks to increase sewer revenues by approximately \$1,600 for 100 sewer customers in its Platte County District.

In its filing, the PSC Staff states: “The Staff has conducted an audit of the Company’s books and records and has concluded that the Company’s earnings are excessive. The Staff’s audit of MAWC (Missouri-American Water Company) reveals over earnings in excess of \$20,000,000 based upon the midpoint of a reasonable authorized rate of return and the Company’s existing customer rates.”

The PSC Staff is to file its testimony supporting its recommended reduction in the Company’s annual operating revenues on October 3, 2003. The Staff is scheduled to file its testimony regarding rate design, which will show the effects the recommended reduction in the Company’s revenues would have on customer rates, on October 10, 2003.

The Missouri-American Water Company serves approximately 413,580 water customers in nine districts (St. Charles, Brunswick, Joplin, Jefferson City, Mexico, Platte County, St. Louis County, St. Joseph and Warrensburg) in Missouri. The Missouri-American Water Company also serves approximately 100 sewer customers in its Platte County District.

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